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For Immediate Release | Monday July 28, 2014 |

BSP Maintains its Credit Rating in 2014

The Chairman of the BSP Group, Mr Kostas Constantinou, is pleased to announce that Standard & Poors (S&P) has again maintained its ratings assessment of BSP.

S&P, in its Report released on 28th July 2014, indicated that it affirmed its 'B+' long-term and "B" short term ratings outlook on the Bank. At the same time, it had reviewed its long-term issuer credit rating outlook for Bank of South Pacific Ltd as stable.

The stable rating of BSP follows a full analysis which covers a review of BSP's business position, capital/earnings capacity, risk position, funding and liquidity and outlook.

S&P noted that BSP has a "strong" business position that is difficult to replicate. This is supported by its dominant position in PNG in terms of loans and deposits, strong revenue base, leading branch network in PNG, Fiji and the Solomon Islands. It was stated that BSP is well positioned to diversify its activities and continue to expand its business operations in the South Pacific, both in terms of its retail and commercial capabilities.

Also, the report pointed out that, BSP has direct relationship with its client base and this makes it difficult for competitors to acquire its customer base. Compared to other banks with similar industry ratings, BSP's business operations are less vulnerable to adverse operating conditions.

The reports also acknowledges the BSP Board of Directors and its subcommittees and rates the governance structure as adequate considering the nature and complexity of BSP's activities.

Mr Constantinou said that BSP Group is again encouraged by this positive assessment of the Group's credit rating. BSP is committed to maintaining its enhanced credit profile, and its strong business position in PNG and across the Pacific region.

Kostas Constantinou, OBE

Chairman | Bank of South Pacific Ltd